



Nov. 21, 2011
Implementation Teams
Industry Councils

Strategic Initiative for Economic Growth

Missouri 2010-2015

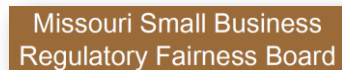


- Division of Business and Community Development
 - Existing business expansion/retention.
 - Partnering with 150+ local/regional ED agencies.
 - International Trade
 - MERIC (MO Economic Research and Information Center)
 - Redevelopment, Community Development
- Division of Workforce development.
 - www.MissouriCareerSource.com
 - 41 "Career Centers"
 - 14 Workforce Investment Boards
 - Training funds

DED Affiliate Agencies



DED Affiliate State Agencies



Partners in Economic Development

- Local, Regional ED agencies
- 10 Innovation Centers, MO Enterprise
- Universities, Community Colleges
- Small Business and Technology Development Centers
- Regional Planning Commissions
- International – Foreign Offices, US Dept. of Commerce, Regional organizations.



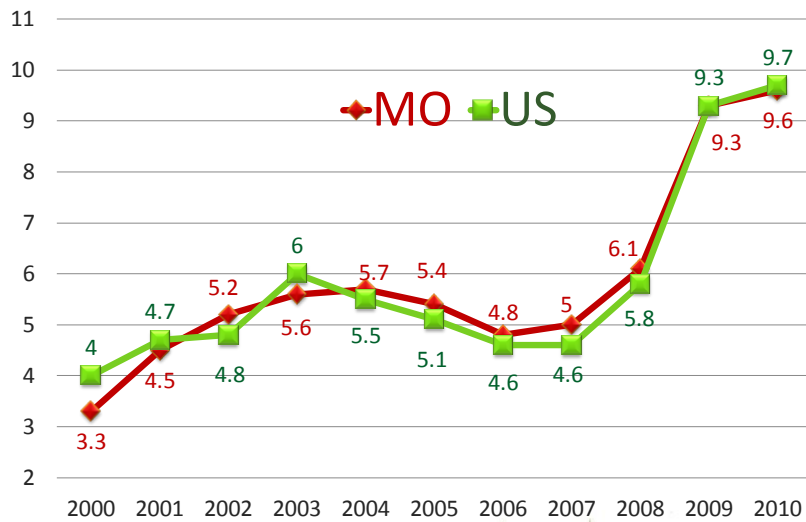
LATE WINTER, 2010

RECOGNIZING THE NEED

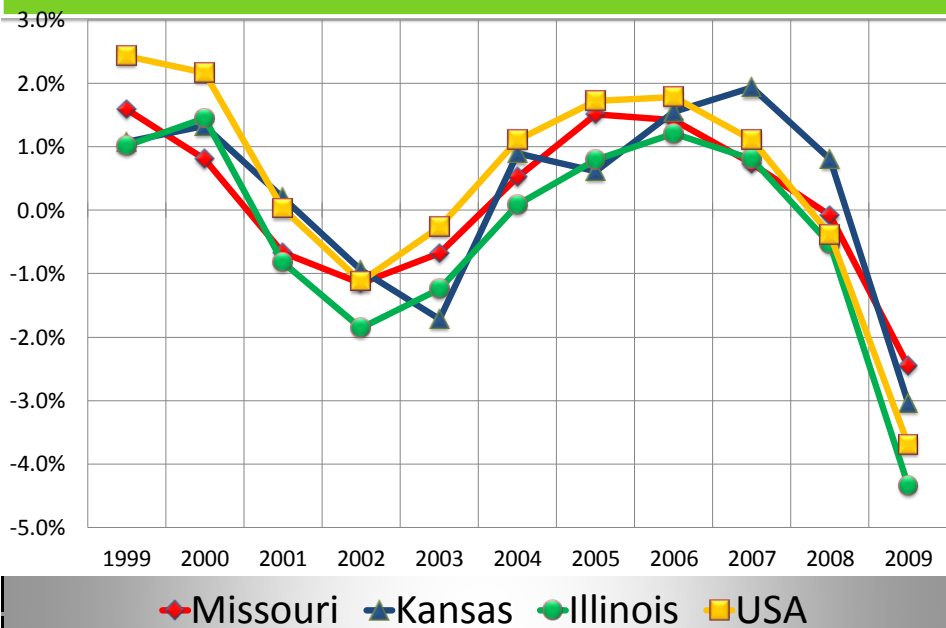
Missouri Strategic Initiative for Economic Growth

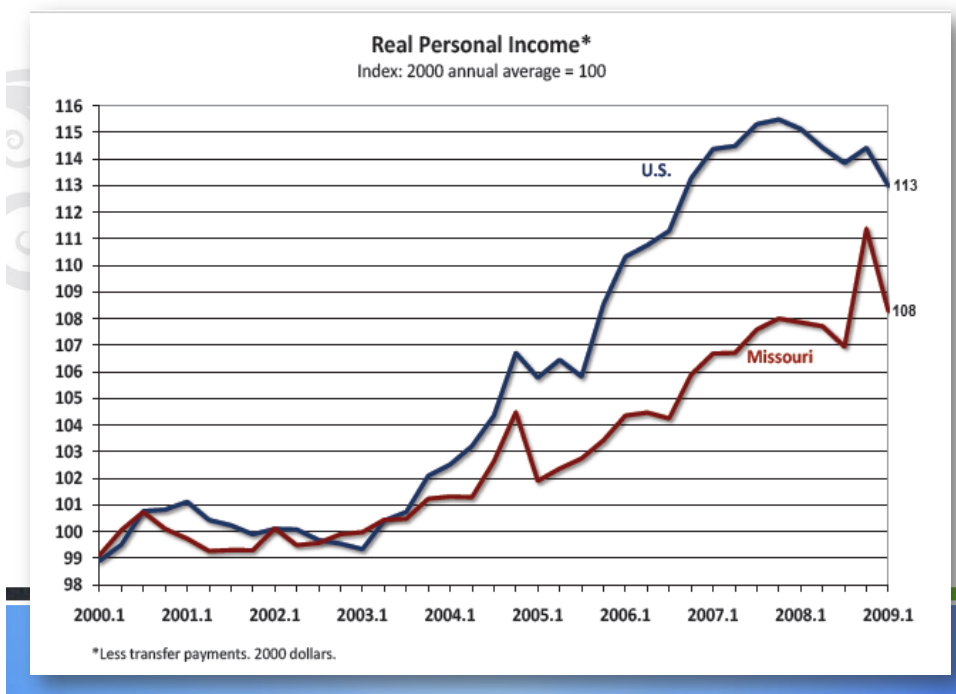


UNEMPLOYMENT RATE



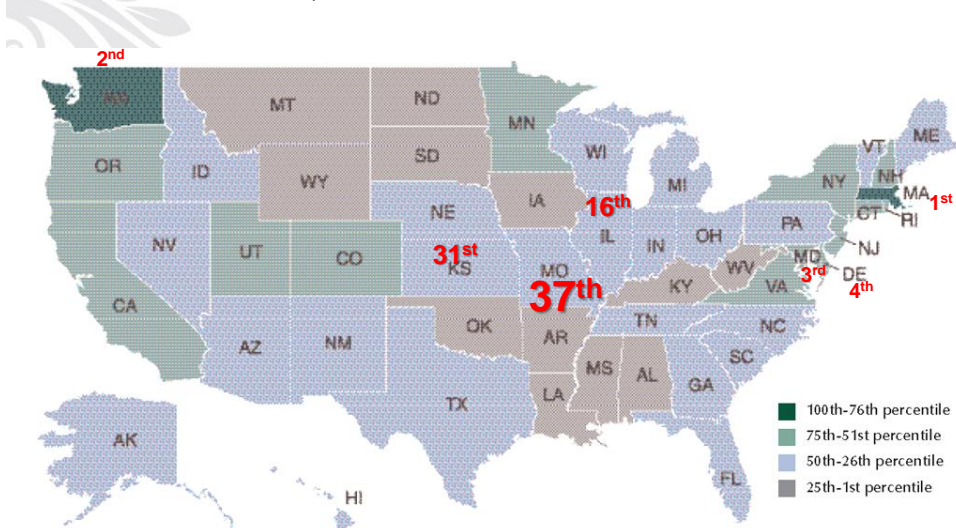
Prior Year Change in Employment





State New Economy Index

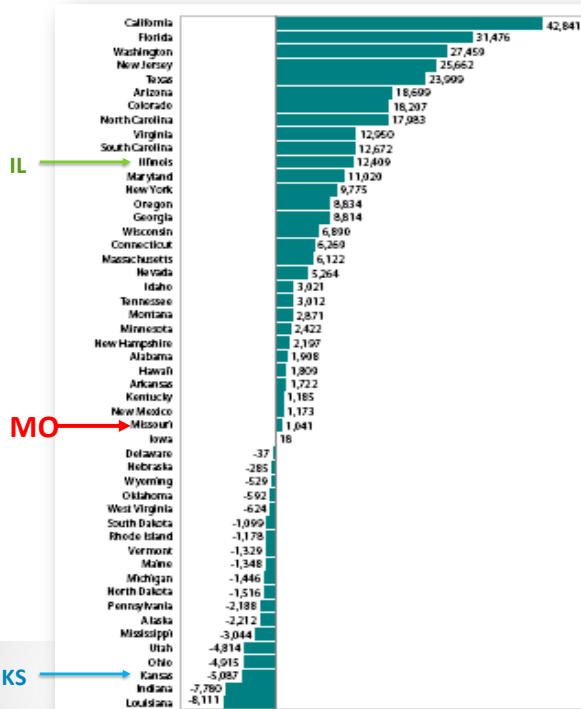
Kaufmann Foundation, 2008



Talent Attraction & Retention

Net Flow of Population
Aged 25-34 - Bachelor's
Degree or Higher

Source: 2005 American
Community Survey



MAY, 2010


DEVELOPMENT OF THE INITIATIVE

Missouri Strategic Initiative for Economic Growth


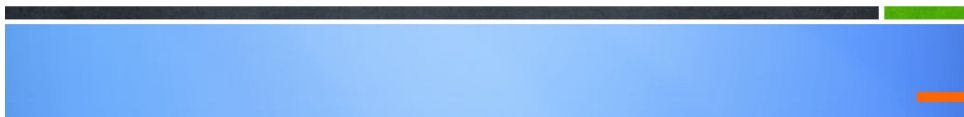




Purpose of the Strategic Initiative for Economic Growth:

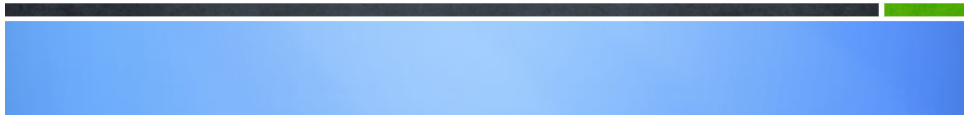


Identify specific strategic and tactical plans for transforming Missouri's economy into a 21st Century sustainable growth economy.



The Jewish Rabbi Maimonides described the eight levels of charity. The second greatest is to give to the poor without knowing to whom you give, with no expectation of gratitude and with the recipient not even knowing who gave the gift.

But the **greatest** level of charity is this....**to find employment for someone in order to strengthen his hand until he need no longer be dependent upon others.**



Scope of the Initiative

- Select and prioritize 8 key strategies.
 - Data-driven.
 - Statewide focus, but recognize uniqueness of regions.
- For each strategy, develop tactical implementation plans.
- 5 year strategy period.
- Concentrate on “primary” businesses.

Website: www.ded.mo.gov/Strategic.aspx

Strategic Initiative for Economic Growth

Purpose:

To identify a clear path for growth in the Missouri economy, the 2010 Strategic Initiative for Economic Growth has been launched by Governor Nixon. The Initiative will engage representatives from business, labor, higher education, and economic development across the state to chart a path for transforming the Missouri economy into a long-term, sustainable, 21st century growth economy. The initiative will be coordinated by the Missouri Department of Economic Development and a professional facilitator experienced in economic development strategic planning. Upon completion of the 6-9 month process, the final Initiative plan will identify a vision and mission for transforming the Missouri economy within 5 years; data driven strategic and tactical plans required to accomplish the vision and mission; targeted high growth industries that will drive economic growth in the state; and other economic factors that support long-term economic growth including innovation, workforce, access to capital, quality of life, tax structure and incentives.

Leadership:

- The Initiative management and oversight will be by David Kerr, Director of the Missouri Department of Economic Development.
- The Executive Advisory Committee is Bill Downey of Kansas City Power & Light (Kansas City); Ann Marie Baker of UMB (Springfield); David Steward of World Wide Technologies (St. Louis); and Paul Combs of Baker Implement (Kennett). This committee will provide overall guidance and direction on the process.

Final Reports

- Target Clusters & Mktg.
- Final Report, Str Plan
- Executive Summary

Members

- Steering Com Members
- Central Reg Ping Team
- KC, NW Reg Ping Team
- North Reg Ping Team
- SE Reg Ping Team
- STL Reg Ping Team
- SW Reg Ping Team

Summaries of Meetings

- Str Com 1, video links
- North Reg Forum, Sept 21
- Central Reg Forum, Sept 22
- Regional Forums, Opening
- SE Region Forum, 9-23-10
- StLouis Reg Forum 9-23-10
- KC, NW Forum, 9-24-10

Examples, Other States



Missouri Partners Strategic Plans

COMPETITIVE REALITIES

Progress Jefferson City
Jefferson City, Missouri

Submitted by:
MARKET STREET SERVICES, INC.
www.marketstreetservices.com

August 10, 2006

Competitive Assessment

Springfield Area, Missouri

Submitted by:
MARKET STREET SERVICES, INC.
www.marketstreetservices.com

October 14, 2009

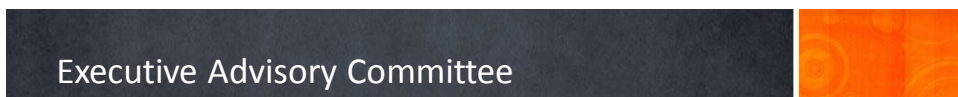
Executive Summary Regional Cluster Analysis

Cluster Action Plan
Greater Saint Louis, MO-IL

Submitted by:
MARKET STREET SERVICES, INC.
www.marketstreetservices.com

July 27, 2009

Leadership



Purpose:

Guidance and direction of the process.

Mr. William (Bill) Downey

President/COO

Kansas City Power and Light

Kansas City

Ms. Ann Marie Baker

President, Southwest Region

UMB Bank

Springfield

Mr. David Steward

CEO

World Wide Technology

St. Louis

Mr. Paul Combs

President

Baker Implement Company

Kennett

Transforming Missouri's Economy 


Funding





MARKET ST


ABOUTSERVICESCLIENTSBLOG & NEWS

Success is what we do.
Every day, every community. One at a time.



LIVE.

WORK.

GROW.

COMMUNITY DEVELOPMENT

WORKFORCE DEVELOPMENT

ECONOMIC DEVELOPMENT

DEVELOPING STRATEGIES FOR ECONOMIC, COMMUNITY, AND WORKFORCE DEVELOPMENT.

Market Street Services brings original insights and clarity to the evaluation and revitalization of the places where people live, work, and grow. *Market Street* inspires trust in all community stakeholders—citizens, educators, leadership and industry—because our holistic, proactive process takes into account all the aspects that shape community life. Through honest and informed assessments, *Market Street* can equip you with the tools to create meaningful change. Our solutions successfully merge our unique vision with your economic and social realities.

Steering Committee

- 41 members.
 - Business, Economic Development, Education, Labor, Research Institutions
- Purpose:
 - Review and analyze information.
 - Develop proposed strategies and tactical plans.
 - Develop targeted industry sectors.



Steering Committee (41)

- Mr. Randy Allen, Jefferson City Chamber of Commerce
- Mr. Jim Anderson, Springfield Chamber of Commerce
- Mr. Tom Bleigh, Bleigh Construction Co.
- Ms. JoAnn Bunten, Walsworth Publishing
- Mr. Jeffrey Byrne, Jeffrey Byrne & Associates, Inc.
- Mr. Richard Cavender, Meramec RPC
- Mr. Robert Clark, Clayco, Inc.
- Dr. Delbert Day, MO University of Science and Technology
- Mr. Michael DeCola, Mississippi Lime Company
- Mr. Richard Fleming, STL Reg. Chamber and Growth Assn.
- Mr. Larry Gardner, Gardner Accounting Services
- Dr. Daniel Getman, Kansas City Area Life Sciences Institute
- Mr. Kelly Gillespie, Missouri Biotechnology Association
- Ms. Linda Greaser, Proctor and Gamble Paper Products Co.
- Mr. Steven Harris, RubinBrown LLP
- Dr. Michael Helmstetter, Midwest Research Institute
- Ms. Jeanette Hernandez, Prenger ECCO Select
- Mr. Herb Johnson Missouri, AFL-CIO
- Mr. Jeffrey Kostos, Dow Kokam
- Mr. Danny Ludeman, Wells Fargo Advisors, LLC
- Mr. Robert Marcusse, Kansas City Area Dev. Council
- Mr. Hugh McVey, Missouri AFL-CIO
- Mr. Dan Mehan MO Chamber of Com. and Industry
- Mr. Randy Mooney, M&M Dairy
- Dr. Michael Nietzel, Formerly of MO State Univ.
- Mr. Roderick Nunn, St. Louis Community College
- Dr. William Peck, Washington University
- Ms. Rosana Privitera-Biondo, MarkOne Electric, Inc.
- Ms. Ora Reynolds, Hunt Midwest Real Estate
- Mr. Evans Richardson, Boeing
- Mr. Donn Rubin, Coaltn. for Plant and Life Sciences
- Mr. Jim Schwarz, Able Manufacturing & Assembly
- Mr. Greg Sullivan, Global Velocity, Inc.
- Mr. Jon Swope, St. John's Health System
- Ms. Sandra Van Trease, BJC HealthCare
- Mr. Dennis Vinson, Signature Packaging & Paper
- Mr. Thomas Voss, Ameren Corporation
- Dr. Bruce Walker, University of Missouri - Columbia
- Ms. Janet Wear-Enloe, Jefferson City Medical Group
- Mr. James Webb, St. Louis Minority Bus. Council
- Ms. Karen Zecy, American Micro Co.


White Papers

- Solicited from experts in applicable fields.
- Provided to the Steering Committee.
- Received: 40



SEPTEMBER, 2010
REGIONAL PLANNING TEAMS

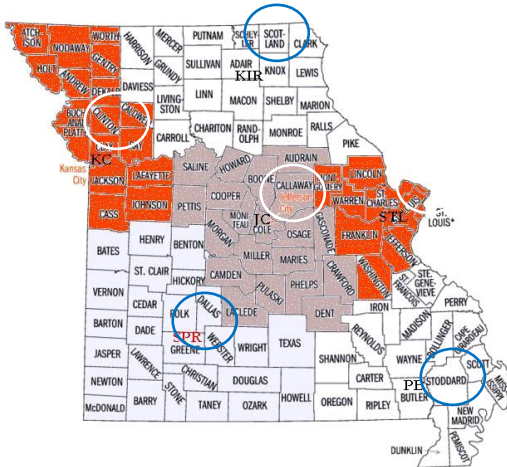
ROUND 1 FORUMS

Missouri Strategic Initiative for Economic Growth 



Regional Planning Team Forums

Round 1



- Kirksville - 9/21, 2pm
- Jefferson City – 9/22, 9am
- Poplar Bluff – 9/23, 9am
- St. Louis – 9/23, 3pm
- Kansas City – 9/24, 9am
- Springfield – 9/24, 3pm

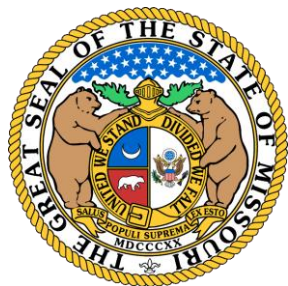
- **Participants: 600**

Transforming Missouri's Economy

Purpose of 1st Round Forums

- Survey of business issues and challenges.
- Identification of:
 - **Strengths, weaknesses.**
 - **Threats, opportunities.**
- Prioritization of potential strategies.
- Prioritization of targeted industries.





NOVEMBER, 2010
STEERING COMMITTEE

TARGETED INDUSTRY SECTORS

Missouri Strategic Initiative for Economic Growth

Targeted Industries

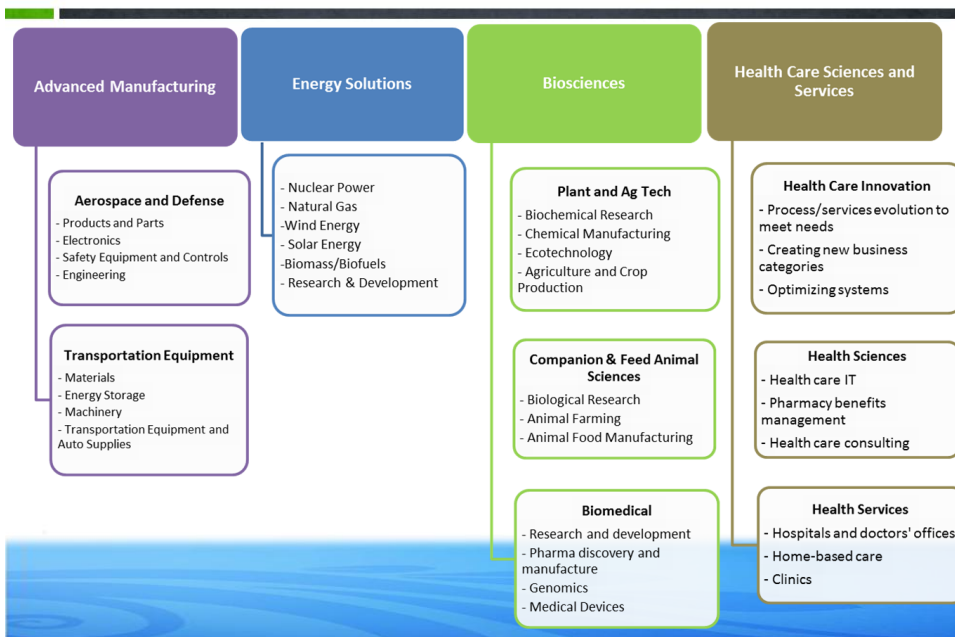
- What it is:
 - Identifies the industry sectors that have most growth potential AND are applicable to Missouri's strengths.
- Purpose:
 - **Targets resources:**
 - Marketing, recruitment, and expansion/retention efforts.
 - Incentives, technical assistance.
 - May result in the formation of "Clusters", which drives growth, innovation and entrepreneurship.

Targeted Industry Sectors Selection Process

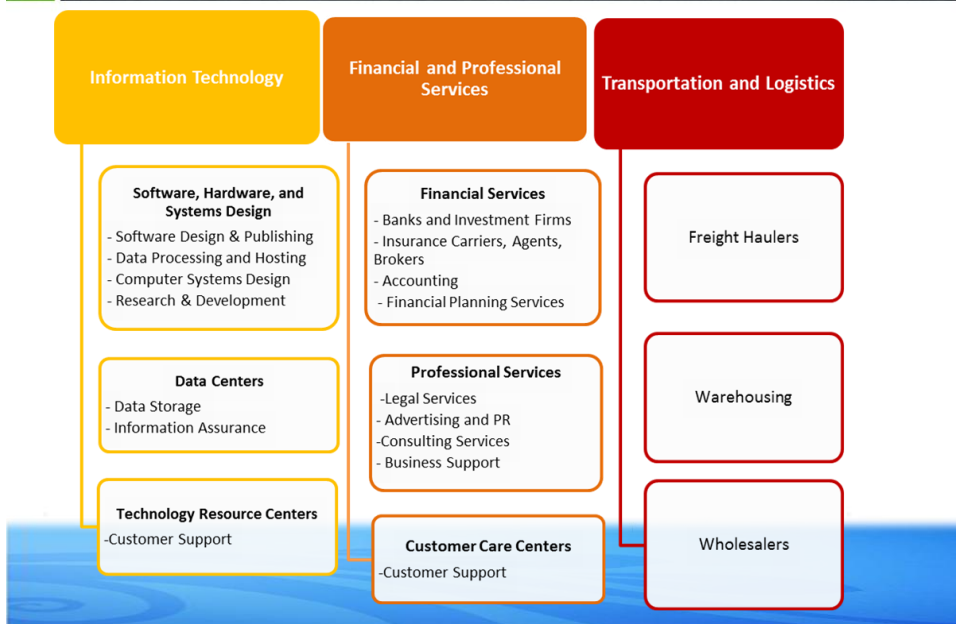
- Job and wealth generation growth potential (wages and GDP)
- Relevant support services
- Educational opportunities
- Research activity
- Recent developments/project activity
- Infrastructure
- Regional target activities
- Stakeholder input.



Missouri target sectors



Missouri target sectors



Regional Targeted Industries



- Data Centers
- Distribution & Logistics
- Call Centers & Back Office
- Technology Innovation
- Power Intensive Mfg
- Corporate Office
- Medical Research



- Data Centers
- Education
- Life Sciences
- Human and Animal Health
- Information Technology
- Insurance



- Animal Health
- Bioscience
- Food Processing
- Agricultural Science
- Manufacturing
- Logistics and Warehousing
- Insurance
- Health Care
- Manufacturing Support
- Back Office

Black – Same as MO SIEG
 Blue – Similar / Niches
 Red – Not the same



- Plant and Medical Sciences
- Advanced Manufacturing
- Information Technology
- Transportation and Distribution
- Financial Services



- Advanced Energy
- Biosciences
- Contact Centers
- Data Centers
- Distribution
- Financial Services
- Headquarters
- Manufacturing

Industry “Clusters”

- What it is:
 - Regional concentration of comprehensively networked (vertical and horizontal) businesses up and down the value chain.
 - Training partners completely synched to the needs of employers.
 - Supportive infrastructure capacity, and,
 - A policy climate tailored to the competitive needs of the cluster.
- Includes:
 - End product industries.
 - Downstream or channel industries.
 - Specialized suppliers and providers of specialized services.
 - Related industries (shared activities, labor, technologies, channels, customer relationships).
 - Supporting institutions – standard setting, education/training, research, trade associations.

Cluster Organizations in MO

Kansas City Region

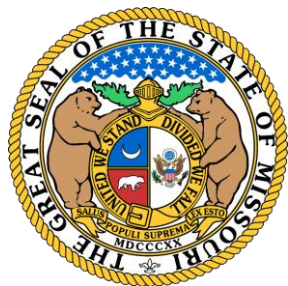


Statewide



St. Louis Region





NOVEMBER, 2010
STEERING COMMITTEE

DEVELOPMENT OF STRATEGIES FOR ECONOMIC GROWTH

Missouri Strategic Initiative for Economic Growth

Strategies for Economic Growth

Adopted Nov. 30 by Steering Committee

1. Attract, develop and retain a **workforce** with the education and skills to succeed in a 21st-Century economy.
2. Support local economic-development organizations in the retention and expansion of **existing businesses** and employers.
3. Optimize its **tax, incentive and regulatory policies** to best support the growth of high-value target business sectors.
4. Invest in **technology and innovation** to attract, launch and sustain the growth companies of the future.

Strategies for Economic Growth

Adopted Nov. 30 by Steering Committee

5. Aggressively market the state to domestic and select international audiences.
6. Develop a best-in-class foreign trade initiative.
7. Develop a culture that encourages small and minority business development and entrepreneurship.
8. Provide the infrastructure necessary for companies and communities to be successful.



JANUARY, 2011
REGIONAL PLANNING TEAMS

ROUND 2 FORUMS

Missouri Strategic Initiative for Economic Growth



Purpose of 2nd Forums

- Suggest **tactical plans** to best implement the 8 Strategies.
 - No longer than a five-year implementation period.
 - Should be based on proven methods, best practices, or other actions that can have a demonstrated positive impact to the economy.
 - May involve state functions or other partners.
 - May require new state legislation or administrative actions.
 - Should be ambitious, but achievable.
 - Should be measurable and have metrics to evaluate.

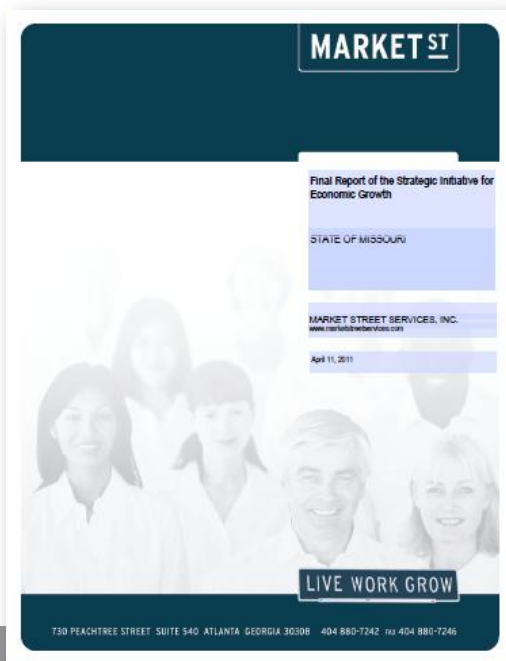


APRIL, 2011
STEERING COMMITTEE

COMPLETION

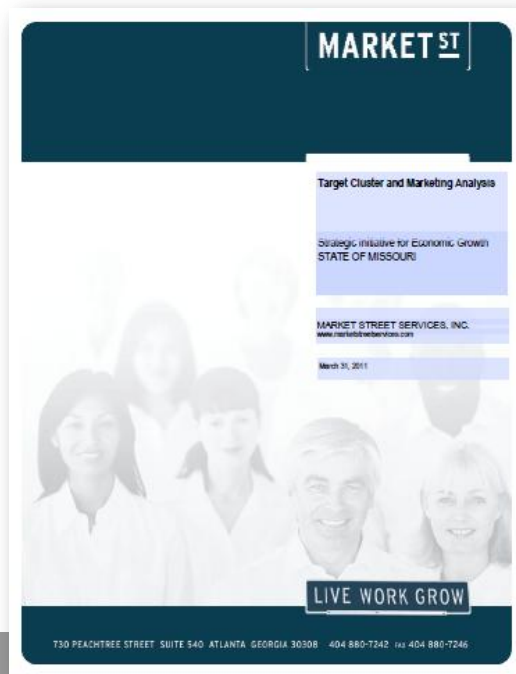
Missouri Strategic Initiative for Economic Growth



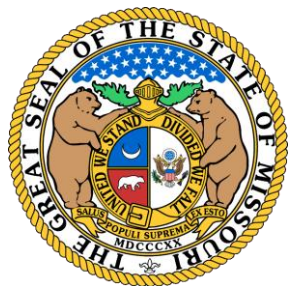


Final Report –

Strategies and Tactics



Target Clusters & Marketing Analysis



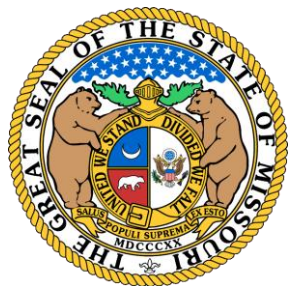
SUMMER, FALL - 2011

IMPLEMENTATION

Missouri Strategic Initiative for Economic Growth

Tactics Completed

- 2.2.1: Implement “Grow Missouri Loan”.
- 3.3.1: Develop “Compete Missouri” incentive:
 - **Not adopted by legislature.**
- 4.4.1: Implement “IDEA” seed/venture funds.
- 4.1.2: Promote “MOSIRA” legislation
 - **Adopted in Special Session.**
- 5.1.2: Missouri Partnership:
 - Improved online marketing tools;
 - Adapted to new targeted industry clusters.
- 6.2.1: Conduct market assessment and economic analysis of potential countries for exporting.
 - Received STEP grant – 3 new foreign offices.



NOVEMBER, 2011

PERFORMANCE METRICS

Missouri Strategic Initiative for Economic Growth

Performance Metrics

- Types:
 - Overall Economy
 - Strategies
- Time Frame:
 - December, 2016
- Method:
 - Base on improvement from recent performance.
 - Ambitious, but realistic.

Proposed Metrics

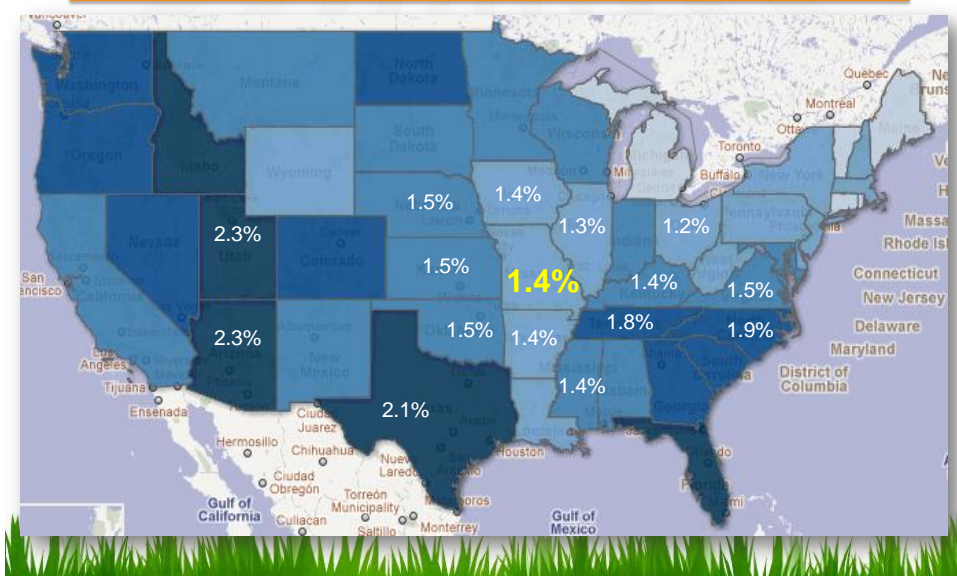
Overall Economy

- Increase payroll employment.
- Decrease unemployment rate.
- Increase median household income.
- Increase average wages.

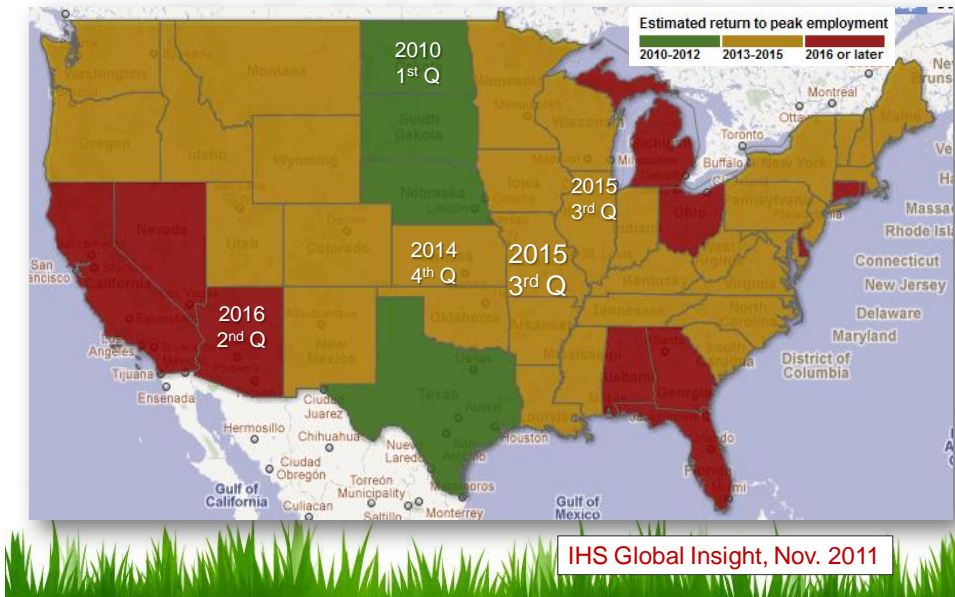


Projected Annual Avg. Job Growth, 2011-17

IHS Global Insight, Nov. 2011



Projected Date to return to Pre-Recession Employment Level

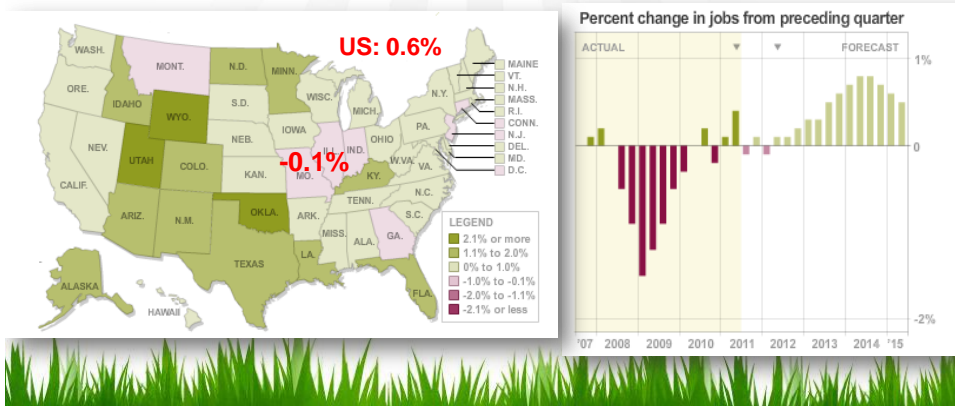


Projected Job Growth

Source: Moody's Analytics, Oct. 2011

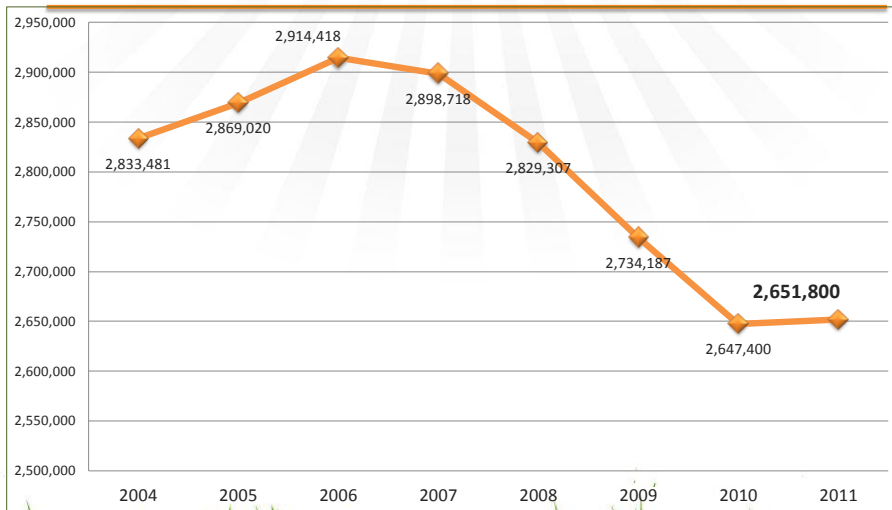
1 year: 2nd Q, 2011 to 2nd Q, 2012

2011-15 Average:
1.3%/yr



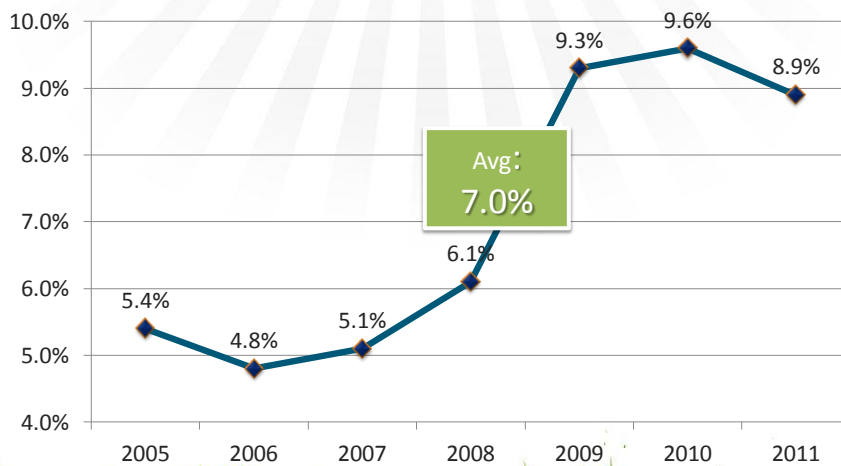
Payroll Employment in MO

Seasonally Adjusted; December 31 (Oct. 2011)



MO Unemployment Rate

Seasonally Adjusted



Median Household Income in MO

(In 2010 dollars)



Partial List – Proposed Performance Metrics

By Strategy

- Increase in research funding.
- Increase in equity capital funding.
- Increase in survey rating by C-level executives of perception of MO.
- Increase number of MO businesses that export.
- Increase in the dollar volume of MO exports.
- Improvement in Kauffman “Entrepreneurial Activity” rating.



TODAY:

IMPLEMENTATION TEAMS (8) AND INDUSTRY COUNCILS (7)

Missouri Strategic Initiative for Economic Growth

Implementation Teams and Industry Councils

- Composed of equal participation of:
 - Private sector
 - Public/Non-Profit/Institutions/Universities
- Time Period:
 - About 1 year
- Meet:
 - Quarterly, or more often, as each team/council desires.
- Assistance/Resources/Research:
 - DED staff assigned to each team/council.

Strategy Implementation Teams

Purpose

1. Develop performance metrics.
2. Refine/improve proposed **Year 1** action steps for each tactical plan.
3. Evaluate **post Year 1** tactical plans to determine if additions or revisions should be recommended to the Steering Committee.
4. Review and evaluate, on a quarterly basis, the progress of implementation of tactical plans to insure successful completion, and make adjustments as needed.
5. Provide an annual report to the Steering Committee, which will be included in their annual report to the Governor.

DED Strategy Team “Champions”

- Workforce: **Julie Gibson**
- Existing Business: **Terry Maglich**
- Optimize Tax, Incentive, Regulations: **Chris Pieper**
- Technology and Innovation: **Jason Hall**
- Marketing: **Christopher Chung**
- Foreign Trade: **Ann Pardalos**
- Small/Minority Business & Entrepreneurism: **Mike Downing**
- Infrastructure: **Mike Heimericks**

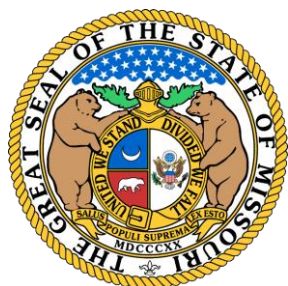
Industry Councils

Purpose

1. Develop performance metrics.
2. Assess the current issues and problems or obstacles for growth of the industry in Missouri.
3. Develop recommendations to resolve the identified problems or obstacles.
4. If applicable, Identify and develop recommendations to create and promote regional industry cluster organizations.
5. Provide an annual report to the Steering Committee, which will be included in their annual report to the Governor.

DED Industry Council Champions

- Advanced Manufacturing – **Jason Archer**
- Energy – **Mark Russell**
- Health Sciences and Services – **Lynne Shea**
- Financial and Professional Services – **David Meyer**
- Transportation and Logistics – **Don Ransom**
- Advanced Manufacturing – **Bob Donnelly**
- Biosciences – **Mark Stombaugh**



RECENT DEVELOPMENTS

Missouri Strategic Initiative for Economic Growth

Missouri – Recent Ratings

- 4th Lowest state and local taxes per capita.
- 8th Lowest average commercial energy costs.
- 10th Lowest industrial energy costs.
- 7th Best business regulatory climate (Forbes)
- 3rd Lowest Business Costs (CNBC)
- 7th Best State for Taxes and Regulation (US Chamber of Commerce)
- 8th Best Higher-Ed Degree Output (US Chamber of Commerce)
- 8th Most Pro-Business State (Pollina Corporate Real Estate)
- 9th Best Transportation System (CNBC)
- 9th Best Quality of Life (Business Facilities Mag)

Encouraging Signs

- Unemployment rate – Lowest in 2 ½ years.
- State exports – up **35%** in 2010, and up **13%** in first 2 quarters of 2011.
 - Significant export contracts signed in Asia trip.
- Significant new project announcements.
 - Burns and McDonnell (500 jobs), Applebee's HQ (389 jobs), VA Mortgage (320 jobs), Gallus (300 jobs), Ford (1,600 jobs), GM (1,600 jobs), DST (250 jobs)



Transforming Missouri's Economy

Strategic Initiative for Economic Growth

Missouri 2010-2015